

Calendar No. 420

105TH CONGRESS
2^D SESSION

S. 1758

[Report No. 105–219]

To amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 1998

Mr. LUGAR (for himself, Mr. BIDEN, Mr. CHAFEE, Mr. LEAHY, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. CRAIG, Mr. COCHRAN, Mr. DEWINE, Mr. GLENN, Mr. HARKIN, Mr. INHOFE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KERREY, Mr. KERRY, Mr. KEMPTHORNE, Mr. LEVIN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. BINGAMAN, Mr. HATCH, Mr. DASCHLE, Mrs. MURRAY, Mr. FAIRCLOTH, Mr. LIEBERMAN, Mr. HAGEL, Mr. DORGAN, Mr. SESSIONS, Mr. HELMS, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

JUNE 22, 1998

Reported by Mr. HELMS, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEBT REDUCTION FOR DEVELOPING COUN-**
 4 **TRIES WITH TROPICAL FORESTS.**

5 The Foreign Assistance Act of 1961 (22 U.S.C. 2151
 6 et seq.) is amended by adding at the end the following:

7 **“PART V—DEBT REDUCTION FOR DEVELOPING**
 8 **COUNTRIES WITH TROPICAL FORESTS**

9 **“SEC. 801. SHORT TITLE.**

10 “‘This part may be cited as the ‘Tropical Forest Con-
 11 servation Act of 1998’.

12 **“SEC. 802. FINDINGS AND PURPOSES.**

13 “(a) FINDINGS.—The Congress finds the following:

14 “(1) It is the established policy of the United
 15 States to support and seek protection of tropical for-
 16 ests around the world.

17 “(2) Tropical forests provide a wide range of
 18 benefits to humankind by—

19 “(A) harboring a major share of the
 20 Earth’s biological and terrestrial resources,
 21 which are the basis for developing pharma-
 22 ceutical products and revitalizing agricultural
 23 crops;

24 “(B) playing a critical role as carbon sinks
 25 in reducing greenhouse gases in the atmos-

1 phere, thus moderating potential global climate
2 change; and

3 “(C) regulating hydrological cycles on
4 which far-flung agricultural and coastal re-
5 sources depend.

6 “(3) International negotiations and assistance
7 programs to conserve forest resources have pro-
8 liferated over the past decade, but the rapid rate of
9 tropical deforestation continues unabated.

10 “(4) Developing countries with urgent needs for
11 investment and capital for development have allo-
12 cated a significant amount of their forests to logging
13 concessions.

14 “(5) Poverty and economic pressures on the
15 populations of developing countries have, over time,
16 resulted in clearing of vast areas of forest for con-
17 version to agriculture, which is often unsustainable
18 in the poor soils underlying tropical forests.

19 “(6) Debt reduction can reduce economic pres-
20 sures on developing countries and result in increased
21 protection for tropical forests.

22 “(7) *Finding economic benefits to local commu-*
23 *nities from sustainable uses of tropical forests is criti-*
24 *cal to the protection of tropical forests.*

25 “(b) PURPOSES.—The purposes of this part are—

1 “(1) to recognize the values received by United
2 States citizens from protection of tropical forests;

3 “(2) to facilitate greater protection of tropical
4 forests (and to give priority to protecting tropical
5 forests with the highest levels of biodiversity and
6 under the most severe threat) by providing for the
7 alleviation of debt in countries where tropical forests
8 are located, thus allowing the use of additional re-
9 sources to protect these critical resources and reduce
10 economic pressures that have led to deforestation;

11 “(3) to ensure that resources freed from debt in
12 such countries are targeted to protection of tropical
13 forests and their associated values; and

14 “(4) to rechannel existing resources to facilitate
15 the protection of tropical forests.

16 **“SEC. 803. DEFINITIONS.**

17 “As used in this part:

18 “(1) ADMINISTERING BODY.—The term ‘admin-
19 istering body’ means the entity provided for in sec-
20 tion 809(c).

21 “(2) APPROPRIATE CONGRESSIONAL COMMIT-
22 TEES.—The term ‘appropriate congressional com-
23 mittees’ means—

1 “(A) the Committee on International Rela-
2 tions and the Committee on Appropriations of
3 the House of Representatives; and

4 “(B) the Committee on Foreign Relations
5 and the Committee on Appropriations of the
6 Senate.

7 “(3) BENEFICIARY COUNTRY.—The term ‘bene-
8 ficiary country’ means an eligible country with re-
9 spect to which the authority of section 806(a)(1),
10 section 807(a)(1), or paragraph (1) or (2) of section
11 808(a) is exercised.

12 “(4) BOARD.—The term ‘Board’ means the
13 board referred to in section 811.

14 “(5) DEVELOPING COUNTRY WITH A TROPICAL
15 FOREST.—The term ‘developing country with a trop-
16 ical forest’ means—

17 “(A)(i) a country that has a per capita in-
18 come of \$725 or less in 1994 United States dol-
19 lars (commonly referred to as ‘low-income coun-
20 try’), as determined and adjusted on an annual
21 basis by the International Bank for Reconstruc-
22 tion and Development in its World Development
23 Report; or

24 “(ii) a country that has a per capita in-
25 come of more than \$725 but less than \$8,956

in 1994 United States dollars (commonly referred to as ‘middle-income country’), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; and

“(B) a country that contains at least one tropical forest that is globally outstanding in terms of its biological diversity or represents one of the larger intact blocks of tropical forests left, on a continental or global scale.

“(6) ELIGIBLE COUNTRY.—The term ‘eligible country’ means a country designated by the President in accordance with section 805.

“(7) TROPICAL FOREST AGREEMENT.—The term ‘Tropical Forest Agreement’ or ‘Agreement’ means a Tropical Forest Agreement provided for in section 809.

“(8) TROPICAL FOREST FACILITY.—The term ‘Tropical Forest Facility’ or ‘Facility’ means the Tropical Forest Facility established in the Department of the Treasury by section 804.

“(9) TROPICAL FOREST FUND.—The term ‘Tropical Forest Fund’ or ‘Fund’ means a Tropical Forest Fund provided for in section 810.

1 **“SEC. 804. ESTABLISHMENT OF THE FACILITY.**

2 “‘There is established in the Department of the
3 Treasury an entity to be known as the ‘Tropical Forest
4 Facility’ for the purpose of providing for the administra-
5 tion of debt reduction in accordance with this part.

6 **“SEC. 805. ELIGIBILITY FOR BENEFITS.**

7 “(a) IN GENERAL.—To be eligible for benefits from
8 the Facility under this part, a country shall be a develop-
9 ing country with a tropical forest—

10 “(1) whose government meets the requirements
11 applicable to Latin American or Caribbean countries
12 under paragraphs (1) through (5) and (7) of section
13 703(a) of this Act; and

14 “(2) that has put in place major investment re-
15 forms, as evidenced by the conclusion of a bilateral
16 investment treaty with the United States, implemen-
17 tation of an investment sector loan with the Inter-
18 American Development Bank, World Bank-sup-
19 ported investment reforms, or other measures, as
20 appropriate.

21 “(b) ELIGIBILITY DETERMINATIONS.—

22 “(1) IN GENERAL.—Consistent with subsection
23 (a), the President shall determine whether a country
24 is eligible to receive benefits under this part.

25 “(2) CONGRESSIONAL NOTIFICATION.—The
26 President shall notify the appropriate congressional

1 committees of his intention to designate a country as
 2 an eligible country at least 15 days in advance of
 3 any formal determination.

4 **“SEC. 806. REDUCTION OF DEBT OWED TO THE UNITED**
 5 **STATES AS A RESULT OF CONCESSIONAL**
 6 **LOANS UNDER THE FOREIGN ASSISTANCE**
 7 **ACT OF 1961.**

8 “(a) AUTHORITY TO REDUCE DEBT.—

9 “(1) AUTHORITY.—The President may reduce
 10 the amount owed to the United States (or any agen-
 11 cy of the United States) that is outstanding as of
 12 January 1, 1998, as a result of concessional loans
 13 made to an eligible country by the United States
 14 under part I of this Act, chapter 4 of part II of this
 15 Act, or predecessor foreign economic assistance leg-
 16 islation.

17 “(2) AUTHORIZATION OF APPROPRIATIONS.—
 18 For the cost (as defined in section 502(5) of the
 19 Federal Credit Reform Act of 1990) for the reduc-
 20 tion of any debt pursuant to this section, there are
 21 authorized to be appropriated to the President—

22 “(A) \$25,000,000 for fiscal year 1999;

23 “(B) \$75,000,000 for fiscal year 2000; and

24 “(C) \$100,000,000 for fiscal year 2001.

25 “(3) CERTAIN PROHIBITIONS INAPPLICABLE.—

1 “(A) IN GENERAL.—A reduction of debt
 2 pursuant to this section shall not be considered
 3 assistance for purposes of any provision of law
 4 limiting assistance to a country.

5 “(B) ADDITIONAL REQUIREMENT.—The
 6 authority of this section may be exercised not-
 7 withstanding section 620(r) of this Act or sec-
 8 tion 321 of the International Development and
 9 Food Assistance Act of 1975.

10 “(b) IMPLEMENTATION OF DEBT REDUCTION.—

11 “(1) IN GENERAL.—Any debt reduction pursu-
 12 ant to subsection (a) shall be accomplished at the di-
 13 rection of the Facility by the exchange of a new obli-
 14 gation for obligations of the type referred to in sub-
 15 section (a) outstanding as of the date specified in
 16 subsection (a)(1).

17 “(2) EXCHANGE OF OBLIGATIONS.—

18 “(A) IN GENERAL.—The Facility shall no-
 19 tify the agency primarily responsible for admin-
 20 istering part I of this Act of an agreement en-
 21 tered into under paragraph (1) with an eligible
 22 country to exchange a new obligation for out-
 23 standing obligations.

24 “(B) ADDITIONAL REQUIREMENT.—At the
 25 direction of the Facility, the old obligations that

1 are the subject of the agreement shall be can-
 2 celed and a new debt obligation for the country
 3 shall be established relating to the agreement,
 4 and the agency primarily responsible for admin-
 5 istering part I of this Act shall make an adjust-
 6 ment in its accounts to reflect the debt reduc-
 7 tion.

8 “(c) **ADDITIONAL TERMS AND CONDITIONS.**—The
 9 following additional terms and conditions shall apply to
 10 the reduction of debt under subsection (a)(1) in the same
 11 manner as such terms and conditions apply to the reduc-
 12 tion of debt under section 704(a)(1) of this Act:

13 “(1) The provisions relating to repayment of
 14 principal under section 705 of this Act.

15 “(2) The provisions relating to interest on new
 16 obligations under section 706 of this Act.

17 **“SEC. 807. REDUCTION OF DEBT OWED TO THE UNITED**
 18 **STATES AS A RESULT OF CREDITS EXTENDED**
 19 **UNDER TITLE I OF THE AGRICULTURAL**
 20 **TRADE DEVELOPMENT AND ASSISTANCE ACT**
 21 **OF 1954.**

22 “(a) **AUTHORITY TO REDUCE DEBT.**—

23 “(1) **AUTHORITY.**—Notwithstanding any other
 24 provision of law, the President may reduce the
 25 amount owed to the United States (or any agency of

1 the United States) that is outstanding as of January
 2 1, 1998, as a result of any credits extended under
 3 title I of the Agricultural Trade Development and
 4 Assistance Act of 1954 (7 U.S.C. 1701 et seq.) to
 5 a country eligible for benefits from the Facility.

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—
 7 For the cost (as defined in section 502(5) of the
 8 Federal Credit Reform Act of 1990) for the reduc-
 9 tion of any debt pursuant to this section, there are
 10 authorized to be appropriated to the President—

11 “(A) \$25,000,000 for fiscal year 1999;

12 “(B) \$50,000,000 for fiscal year 2000; and

13 “(C) \$50,000,000 for fiscal year 2001.

14 “(b) IMPLEMENTATION OF DEBT REDUCTION.—

15 “(1) IN GENERAL.—Any debt reduction pursu-
 16 ant to subsection (a) shall be accomplished at the di-
 17 rection of the Facility by the exchange of a new obli-
 18 gation for obligations of the type referred to in sub-
 19 section (a) outstanding as of the date specified in
 20 subsection (a)(1).

21 “(2) EXCHANGE OF OBLIGATIONS.—

22 “(A) IN GENERAL.—The Facility shall no-
 23 tify the Commodity Credit Corporation of an
 24 agreement entered into under paragraph (1)

1 with an eligible country to exchange a new obli-
 2 gation for outstanding obligations.

3 “(B) ADDITIONAL REQUIREMENT.—At the
 4 direction of the Facility, the old obligations that
 5 are the subject of the agreement shall be can-
 6 celed and a new debt obligation shall be estab-
 7 lished for the country relating to the agreement,
 8 and the Commodity Credit Corporation shall
 9 make an adjustment in its accounts to reflect
 10 the debt reduction.

11 “(c) ADDITIONAL TERMS AND CONDITIONS.—The
 12 following additional terms and conditions shall apply to
 13 the reduction of debt under subsection (a)(1) in the same
 14 manner as such terms and conditions apply to the reduc-
 15 tion of debt under section 604(a)(1) of the Agricultural
 16 Trade Development and Assistance Act of 1954 (7 U.S.C.
 17 1738c):

18 “(1) The provisions relating to repayment of
 19 principal under section 605 of such Act.

20 “(2) The provisions relating to interest on new
 21 obligations under section 606 of such Act.

22 **“SEC. 808. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE**
 23 **SWAPS AND DEBT BUYBACKS.**

24 “(a) LOANS AND CREDITS ELIGIBLE FOR SALE, RE-
 25 Duction, OR CANCELLATION.—

1 “(1) DEBT-FOR-NATURE SWAPS.—

2 “(A) IN GENERAL.—Notwithstanding any
3 other provision of law, the President may, in
4 accordance with this section, sell to any eligible
5 purchaser described in subparagraph (B) any
6 concessional loans described in section
7 806(a)(1) or any credits described in section
8 807(a)(1), or on receipt of payment from an eli-
9 gible purchaser described in subparagraph (B),
10 reduce or cancel such loans (or credits) or por-
11 tion thereof, only for the purpose of facilitating
12 a debt-for-nature swap to support eligible activi-
13 ties described in section 809(d).

14 “(B) ELIGIBLE PURCHASER DESCRIBED.—
15 A loan or credit may be sold, reduced, or can-
16 celed under subparagraph (A) only to a pur-
17 chaser who presents plans satisfactory to the
18 President for using the loan or credit for the
19 purpose of engaging in debt-for-nature swaps to
20 support eligible activities described in section
21 809(d).

22 “(C) CONSULTATION REQUIREMENT.—Be-
23 fore the sale under subparagraph (A) to any eli-
24 gible purchaser described in subparagraph (B),
25 or any reduction or cancellation under such

1 subparagraph (A), of any loan or credit made
2 to an eligible country, the President shall con-
3 sult with the country concerning the amount of
4 loans or credits to be sold, reduced, or canceled
5 and their uses for debt-for-nature swaps to sup-
6 port eligible activities described in section
7 809(d).

8 “(D) AUTHORIZATION OF APPROPRIA-
9 TIONS.—For the cost (as defined in section
10 502(5) of the Federal Credit Reform Act of
11 1990) for the reduction of any debt pursuant to
12 subparagraph (A), amounts authorized to ap-
13 propriated under sections 806(a)(2) and
14 807(a)(2) shall be made available for such re-
15 duction of debt pursuant to subparagraph (A).

16 “(2) DEBT BUYBACKS.—Notwithstanding any
17 other provision of law, the President may, in accord-
18 ance with this section, sell to any eligible country
19 any concessional loans described in section 806(a)(1)
20 or any credits described in section 807(a)(1), or on
21 receipt of payment from an eligible country, reduce
22 or cancel such loans (or credits) or portion thereof,
23 only for the purpose of facilitating a debt buyback
24 by an eligible country of its own qualified debt, only
25 if the eligible country uses an additional amount of

1 the local currency of the eligible country, equal to
2 not less than 40 percent of the price paid for such
3 debt by such eligible country, or the difference be-
4 tween the price paid for such debt and the face value
5 of such debt, to support eligible activities described
6 in section 809(d).

7 “(3) TERMS AND CONDITIONS.—Notwithstand-
8 ing any other provision of law, the President shall,
9 in accordance with this section, establish the terms
10 and conditions under which loans and credits may be
11 sold, reduced, or canceled pursuant to this section.

12 “(4) ADMINISTRATION.—

13 “(A) IN GENERAL.—The Facility shall no-
14 tify the administrator of the agency primarily
15 responsible for administering part I of this Act
16 or the Commodity Credit Corporation, as the
17 case may be, of eligible purchasers described in
18 paragraph (1)(B) that the President has deter-
19 mined to be eligible under paragraph (1), and
20 shall direct such agency or Corporation, as the
21 case may be, to carry out the sale, reduction, or
22 cancellation of a loan pursuant to such para-
23 graph.

24 “(B) ADDITIONAL REQUIREMENT.—Such
25 agency or Corporation, as the case may be,

1 shall make an adjustment in its accounts to re-
2 flect the sale, reduction, or cancellation.

3 “(b) DEPOSIT OF PROCEEDS.—The proceeds from
4 the sale, reduction, or cancellation of any loan sold, re-
5 duced, or canceled pursuant to this section shall be depos-
6 ited in the United States Government account or accounts
7 established for the repayment of such loan.

8 **“SEC. 809. TROPICAL FOREST AGREEMENT.**

9 “(a) AUTHORITY.—

10 “(1) IN GENERAL.—The Secretary of State is
11 authorized, in consultation with other appropriate
12 officials of the Federal Government, to enter into a
13 Tropical Forest Agreement with any eligible country
14 concerning the operation and use of the Fund for
15 that country.

16 “(2) CONSULTATION.—In the negotiation of
17 such an Agreement, the Secretary shall consult with
18 the Board in accordance with section 811.

19 “(b) CONTENTS OF AGREEMENT.—The requirements
20 contained in section 708(b) of this Act (relating to con-
21 tents of an agreement) shall apply to ~~a Agreement~~ *an*
22 *Agreement* in the same manner as such requirements apply
23 to an Americas Framework Agreement.

24 “(c) ADMINISTERING BODY.—

1 “(1) IN GENERAL.—Amounts disbursed from
 2 the Fund in each beneficiary country shall be admin-
 3 istered by a body constituted under the laws of that
 4 country.

5 “(2) COMPOSITION.—

6 “(A) IN GENERAL.—The administering
 7 body shall consist of—

8 “(i) one or more individuals appointed
 9 by the United States Government;

10 “(ii) one or more individuals ap-
 11 pointed by the government of the bene-
 12 ficiary country; and

13 “(iii) individuals who represent a
 14 broad range of—

15 “(I) environmental nongovern-
 16 mental organizations of, or active in,
 17 the beneficiary country;

18 “(II) local community develop-
 19 ment nongovernmental organizations
 20 of the beneficiary country; and

21 ~~“(III) scientific or academic or-~~
 22 ~~ganizations or institutions of the ben-~~
 23 ~~eficiary country.~~

1 “(III) *scientific, academic, or*
 2 *agroforestry organizations of the bene-*
 3 *ficiary country.*

4 “(B) ADDITIONAL REQUIREMENT.—A ma-
 5 jority of the members of the administering body
 6 shall be individuals described in subparagraph
 7 (A)(iii).

8 “(3) RESPONSIBILITIES.—The requirements
 9 contained in section 708(c)(3) of this Act (relating
 10 to responsibilities of the administering body) shall
 11 apply to an administering body described in para-
 12 graph (1) in the same manner as such requirements
 13 apply to an administering body described in section
 14 708(c)(1) of this Act.

15 “(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a
 16 Fund shall be used to provide grants to preserve, main-
 17 tain, and restore the tropical forests in the beneficiary
 18 country, including one or more of the following activities:

19 “(1) Establishment, restoration, protection, and
 20 maintenance of parks, protected areas, and reserves.

21 “(2) Development and implementation of sci-
 22 entifically sound systems of natural resource man-
 23 agement, including land and ecosystem management
 24 practices.

1 “(3) Training programs to strengthen conserva-
 2 tion institutions and increase scientific, technical,
 3 and managerial capacities of individuals and organi-
 4 zations involved in conservation efforts.

5 “(4) Restoration, protection, or sustainable use
 6 of diverse animal and plant species.

7 “(5) *Research and identification of medicinal*
 8 *uses of tropical forest plant life to treat human dis-*
 9 *eases and illnesses and health related concerns.*

10 “~~(5)~~ (6) Mitigation of greenhouse gases in the
 11 atmosphere.

12 “~~(6)~~ (7) Development and support of the liveli-
 13 hoods of individuals living in or near a tropical for-
 14 est, including the cultures of such individuals, in a
 15 manner consistent with protecting such tropical for-
 16 est.

17 “(e) GRANT RECIPIENTS.—

18 “(1) IN GENERAL.—Grants made from a Fund
 19 shall be made to—

20 “(A) nongovernmental environmental, con-
 21 servation, and indigenous peoples organizations
 22 of, or active in, the beneficiary country;

23 “(B) other appropriate local or regional
 24 entities of, or active in, the beneficiary country;
 25 and or

1 “(C) in exceptional circumstances, the gov-
2 ernment of the beneficiary country.

3 “(2) PRIORITY.—In providing grants under
4 paragraph (1), priority shall be given to projects
5 that are run by nongovernmental organizations and
6 other private entities and that involve local commu-
7 nities in their planning and execution.

8 “(f) REVIEW OF LARGER GRANTS.—Any grant of
9 more than \$100,000 from a Fund shall be subject to veto
10 by the Government of the United States or the govern-
11 ment of the beneficiary country.

12 “(g) ELIGIBILITY CRITERIA.—In the event that a
13 country ceases to meet the eligibility requirements set
14 forth in section 805(a), as determined by the President
15 pursuant to section 805(b), then grants from the Fund
16 for that country may only be made to nongovernmental
17 organizations until such time as the President determines
18 that such country meets the eligibility requirements set
19 forth in section 805(a).

20 **“SEC. 810. TROPICAL FOREST FUND.**

21 “(a) ESTABLISHMENT.—Each beneficiary country
22 that enters into a Tropical Forest Agreement under sec-
23 tion 809 shall be required to establish a Tropical Forest
24 Fund to receive payments of interest on new obligations
25 undertaken by the beneficiary country under this part.

1 “(b) REQUIREMENTS RELATING TO OPERATION OF
 2 FUND.—The following terms and conditions shall apply
 3 to the Fund in the same manner as such terms as condi-
 4 tions apply to an Enterprise for the Americas Fund under
 5 section 707 of this Act:

6 “(1) The provision relating to deposits under
 7 subsection (b) of such section.

8 “(2) The provision relating to investments
 9 under subsection (c) of such section.

10 “(3) The provision relating to disbursements
 11 under subsection (d) of such section.

12 **“SEC. 811. BOARD.**

13 “(a) ENTERPRISE FOR THE AMERICAS BOARD.—The
 14 Enterprise for the Americas Board established under sec-
 15 tion 610(a) of the Agricultural Trade Development and
 16 Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addi-
 17 tion to carrying out the responsibilities of the Board under
 18 section 610(c) of such Act, carry out the duties described
 19 in subsection (c) of this section for the purposes of this
 20 part.

21 “(b) ADDITIONAL MEMBERSHIP.—

22 “(1) IN GENERAL.—The Enterprise for the
 23 Americas Board shall be composed of an additional
 24 four members appointed by the President as follows:

1 “(A) Two representatives from the United
 2 States Government, including a representative
 3 of the International Forestry Division of the
 4 United States Forest Service.

5 “(B) Two representatives from private
 6 nongovernmental environmental, ~~scientific~~, and
 7 *scientific, agricultural, or* academic organiza-
 8 tions with experience and expertise in preserva-
 9 tion, maintenance, *sustainable uses*, and restora-
 10 tion of tropical forests.

11 “(2) CHAIRPERSON.—Notwithstanding section
 12 610(b)(2) of the Agricultural Trade Development
 13 and Assistance Act of 1954 (7 U.S.C. 1738i(b)(2)),
 14 the Enterprise for the Americas Board shall be
 15 headed by a chairperson who shall be appointed by
 16 the President from among the representatives ap-
 17 pointed under section 610(b)(1)(A) of such Act or
 18 paragraph (1)(A) of this subsection.

19 “(c) DUTIES.—The duties described in this sub-
 20 section are as follows:

21 “(1) Advise the Secretary of State on the nego-
 22 tiations of Tropical Forest Agreements.

23 “(2) Ensure, in consultation with—

24 “(A) the government of the beneficiary
 25 country,

1 “(B) nongovernmental organizations of the
2 beneficiary country,

3 “(C) nongovernmental organizations of the
4 region (if appropriate),

5 “(D) environmental, scientific, and aca-
6 demic leaders of the beneficiary country, and

7 “(E) environmental, scientific, and aca-
8 demic leaders of the region (as appropriate),
9 that a suitable administering body is identified for
10 each Fund.

11 “(3) Review the programs, operations, and fis-
12 cal audits of each administering body.

13 **“SEC. 812. CONSULTATIONS WITH THE CONGRESS.**

14 “The President shall consult with the appropriate
15 congressional committees on a periodic basis to review the
16 operation of the Facility under this part and the eligibility
17 of countries for benefits from the Facility under this part.

18 **“SEC. 813. ANNUAL REPORTS TO THE CONGRESS.**

19 “(a) IN GENERAL.—Not later than December 31 of
20 each ~~fiscal~~ year, the President shall prepare and transmit
21 to the Congress an annual report concerning the operation
22 of the Facility for the prior fiscal year. Such report shall
23 include—

24 “(1) a description of the activities undertaken
25 by the Facility during the previous fiscal year;

1 “(2) a description of any Agreement entered
2 into under this part;

3 “(3) a report on any Funds that have been es-
4 tablished under this part and on the operations of
5 such Funds; and

6 “(4) a description of any grants that have been
7 provided by administering bodies pursuant to Agree-
8 ments under this part.

9 “(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—
10 Not later than December 15 of each ~~fiscal~~ year, each mem-
11 ber of the Board shall be entitled to receive a copy of the
12 report required under subsection (a). Each member of the
13 Board may prepare and submit supplemental views to the
14 President on the implementation of this part by December
15 31 for inclusion in the annual report when it is transmit-
16 ted to Congress pursuant to this section.”.

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